



January 20, 2006

SENATE BILL No. 147

DIGEST OF SB 147 (Updated January 18, 2006 2:23 pm - DI 104)

Citations Affected: IC 27-8; IC 27-13.

Synopsis: Insurance payments to health care providers. Specifies certain requirements for an insurer or a health maintenance organization in requesting repayment or adjusting subsequent claims to obtain reimbursement for an overpaid or an underpaid claim to a health care provider.

Effective: July 1, 2006.

Gard, Becker

January 9, 2006, read first time and referred to Committee on Health and Provider Services.
January 19, 2006, amended, reported favorably — Do Pass.

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SB 147—LS 6540/DI 104+



January 20, 2006

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

SENATE BILL No. 147

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-8-5.7-10 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2006]: **Sec. 10. (a) An insurer may not, more than two (2) years**
4 **after the date on which an overpayment on a provider claim was**
5 **made to the provider by the insurer:**

6 (1) **request that the provider repay the overpayment; or**

7 (2) **adjust a subsequent claim filed by the provider as a**
8 **method of obtaining reimbursement of the overpayment from**
9 **the provider.**

10 (b) **An insurer may not be required to correct a payment error**
11 **to a provider more than two (2) years after the date on which a**
12 **payment on a provider claim was made to the provider by the**
13 **insurer.**

14 (c) **This section does not apply in cases of fraud by the provider,**
15 **the insured, or the insurer with respect to the claim on which the**
16 **overpayment or underpayment was made.**

17 SECTION 2. IC 27-8-5.7-11 IS ADDED TO THE INDIANA CODE

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AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 11.** Every subsequent claim that is adjusted by an insurer for reimbursement on an overpayment of a previous provider claim made to the provider must be accompanied by an explanation of the reason for the adjustment, including:

(1) an identification of:

(A) the claim on which the overpayment was made; and

(B) if ascertainable, the party financially responsible for the overpaid amount; and

(2) the amount of the overpayment that is being reimbursed to the insurer through the adjusted subsequent claim.

SECTION 3. IC 27-13-36.2-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 8. (a)** A health maintenance organization may not, more than two (2) years after the date on which an overpayment on a provider claim was made to the provider by the health maintenance organization:

(1) request that the provider repay the overpayment; or

(2) adjust a subsequent claim filed by the provider as a method of obtaining reimbursement of the overpayment from the provider.

(b) A health maintenance organization may not be required to correct a payment error to a provider more than two (2) years after the date on which a payment on a provider claim was made to the provider by the health maintenance organization.

(c) This section does not apply in cases of fraud by the provider or enrollee with respect to the claim on which the overpayment was made.

SECTION 4. IC 27-13-36.2-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 9.** Every subsequent claim that is adjusted by a health maintenance organization for reimbursement on an overpayment of a previous provider claim made to the provider must be accompanied by an explanation of the reason for the adjustment, including:

(1) an identification of:

(A) the claim on which the overpayment was made; and

(B) if ascertainable, the party financially responsible for the amount overpaid; and

(2) the amount of the overpayment that is being reimbursed to the health maintenance organization through the adjusted subsequent claim.

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SENATE MOTION

Madam President: I move that Senator Becker be added as coauthor of Senate Bill 147.

GARD

 COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 147, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 14, delete "if" and insert "**in cases of fraud by**".

Page 1, line 15, delete "has been charged with or convicted of fraud".

Page 2, line 9, after "(B)" insert "**if ascertainable,**".

Page 2, line 27, delete "if" and insert "**in cases of fraud by**".

Page 2, line 27, delete "has".

Page 2, line 28, delete "been charged with or convicted of fraud".

Page 2, line 39, after "(B)" insert "**if ascertainable,**".

and when so amended that said bill do pass.

(Reference is to SB 147 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 9, Nays 0.

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